

Message Text

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PAGE 01 OTTAWA 00286 302335Z

20

ACTION TRSE-00

INFO OCT-01 EUR-25 ISO-00 SPC-03 SAM-01 AID-20 EB-11

NSC-10 RSC-01 CIEP-02 SS-20 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 DRC-01 L-03 TAR-02 PA-04 PRS-01 USIA-15

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R 302307Z JAN 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 2615

UNCLAS OTTAWA 0286

E.O. 11652: N/A

TAGS: EFIN, EIND, CA, US

SUBJECT: ELIMINATION OF GUIDELINES ON CAPITAL EXPORTS

REF:OTTAWA 274

TEXT OF JAN 30 DEPARTMENT OF INDUSTRY, TRADE AND
COMMERCE PRESS RELEASE REGARDING ELIMINATION CAPITAL
EXPORT GUIDELINES FOR CANADIAN NONFINANCIAL INSTITUTIONS
FOLLOWS:

BEGIN TEXT

THE PROGRAM FOR GUIDELINES ON OVERSEAS CAPITAL
TRANSFERS BY CANADIAN INCORPORATED, NON-FINANCIAL
COMPANIES IS BEING LIFTED IMMEDIATELY, THE DEPARTMENT
OF INDUSTRY, TRADE AND COMMERCE ANNOUNCED TODAY. THE
GUIDELINES WERE SET OUT ON SEPTEMBER 19, 1968 BY THE
MINISTER OF TRADE AND COMMERCE.

THESE GUIDELINES CONSISTED OF A REQUEST BY THE
MINISTER THAT COMPANIES NOT MAKE INVESTMENTS IN
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PAGE 02 OTTAWA 00286 302335Z

WESTERN EUROPE INVOLVING TRANSFERS OF CAPITAL FUNDS
FROM CANADA OR THE UNITED STATES UNLESS THE TRANSFER

RESULTED IN LARGE AND EARLY BENEFIT TO CANADA. COMPANIES WERE ALSO ASKED TO EXERCISE RESTRAINT ON SUCH TRANSFERS TO OTHER DEVELOPED COUNTRIES.

THE PROGRAM WAS INTRODUCED TO ENSURE THAT, AS A RESULT OF THE EXEMPTION OF CANADA FROM THE UNITED STATES BALANCE OF PAYMENTS MEASURES AFFECTING CAPITAL FLOWS, CANADA WAS NOT USED AS A "PASS-THROUGH" BY WHICH THE PURPOSE OF THE UNITED STATES PROGRAM COULD BE FRUSTRATED.

THE REMOVAL OF THESE GUIDELINES COINCIDES WITH THE ANNOUNCEMENT YESTERDAY BY THE UNITED STATES GOVERNMENT THAT THE BALANCE OF PAYMENTS REGULATIONS OF THAT COUNTRY RELATING TO CAPITAL FLOWS ARE BEING TERMINATED IMMEDIATELY.

THE DEPARTMENT EXPRESSED THANKS TO CANADIAN CORPORATIONS FOR THEIR ADHERENCE TO THE GUIDELINES AND FOR THEIR REPORTING OF INFORMATION NECESSARY TO THE PROGRAM.

WITHDRAWALS OF RELATED GUIDELINES FOR BANKS AND OTHER FINANCIAL INSTITUTIONS WERE ANNOUNCED BY THE HONOURABLE JOHN TURNER, MINISTER OF FINANCE.

END OF TEXT
JOHNSON

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Message Attributes

Automatic Decaptioning: X
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Disposition Approved on Date:
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Disposition Case Number: n/a
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Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Review Markings:

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EO Systematic Review
30 JUN 2005

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Review Withdrawn Fields: n/a
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TAGS: EFIN, EIND, CA, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005